

## Message Text

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PAGE 01 PANAMA 03471 121726Z

43

ACTION PM-03

INFO OCT-01 ARA-06 ISO-00 SS-15 NSC-05 OMB-01 EB-07 COME-00

TRSE-00 MC-02 DODE-00 L-03 /043 W

----- 018488

R 121657Z JUN 75

FM AMEMBASSY PANAMA

RUEHC/SECSTATE WASHDC 4168

INFO USCINCSO

C O N F I D E N T I A L PANAMA 3471

E.O. 11652: GDS

TAGS: PFOR/MASS/PN

SUBJECT: FMS CREDIT FOR PANAMA

REF: STATE 129830

1. (C) IN RESPONSE TO REFTTEL, AMENDMENT OF PANAMA'S FY 76-77 CASP SUBMISSION IS REQUESTED IN ORDER TO ESTABLISH FMS CREDIT PROGRAM FOR PANAMA FOR .5M FOR FY76 AND .1M FOR FY77. AMENDMENT MAY BE ACCOMPLISHED BY EFFECTING FOLLOWING CHANGES TO CASP SUBMISSION:

A. UNDER OBJECTIVE 6 OF PROPOSED ACTION PLAN, PAGE 15, ADD, UNDER "ESTIMATED FY76 RESOURCES" COLUMN: 500 FMS CREDIT. UNDER "ESTIMATED FY77 RESOURCES" COLUMN; 1000 FMS CREDIT.

B. IN ANNEX A, PAGE 1, TABLE 1 UNDER "FY76 AND FY77 PLANNED" COLUMNS: FOR FMS-CREDIT, INSERT FIGURES 1000 AND 500, RESPECTIVELY.

2. (C) AS STATED IN THE CASP, TWO OF OUR OBJECTIVES ARE TO "PROMOTE THE SELF-SUFFICIENCY OF THE NATIONAL GUARD AND ITS ABILITY TO ASSUME AN EXPANDED ROLE IN CANAL DEFENSE;" AND TO "MAINTAIN FAVORABLE DISPOSITION OF NATIONAL GUARD TOWARD THE U.S. AND CONTINUE THE POSITION OF THE U.S. AS THE PRINCIPAL SOURCE OF MILITARY EQUIPMENT AND TRAINING." WE THEREFORE RECOMMENDED IN THE CASP THAT "THE USG SHOULD MAINTAIN COOPERATIVE DEVELOPMENT AND SECURITY ASSISTANCE PROGRAMS IN PANAMA."

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PAGE 02 PANAMA 03471 121726Z

3. (C) THE GN HAS, SINCE FORMULATION OF REFERENCED CASP, EXPRESSED DEFINITE INTEREST IN ACQUISITION OF MATERIEL AND EQUIPMENT TO IMPROVE THE MOBILITY OF ITS TACTICAL FORCES. THEIR PRINCIPAL OBSTACLE IN OBTAINING SOME OF THIS EQUIPMENT APPEARS TO BE LACK OF CASH TO EFFECT PURCHASES COMMERCIALY.

4. (C) PROVISION OF FMS CREDITS IS CONSISTENT WITH CASP OBJECTIVES AND WOULD SERVE AS AN EARNEST OF OUR READINESS TO ASSIST THE GN INCREASE ITS ABILITY TO ASSUME AN EXPANDED ROLE IN CANAL DEFENSE UNDER A NEW TREATY RELATIONSHIP. THE ABILITY TO PROVIDE THE REQUESTED CREDIT, DURING THE IMMEDIATE MONTHS AHEAD, IS NEEDED TO DEMONSTRATE THE DESIRE OF THE USG TO COOPERATE WITH AND ASSIST THE GOP. THIS NEED MAY BE OF EVEN GREATER URGENCY, IF TREATY NEGOTIATION OR RATIFICATION IS STYMIED, AS A TOOL FOR CONTINUING COOPERATIVE ASSOCIATION WITH THE GOP.

JORDEN

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**TAGS:** PFOR, MASS, PN  
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